REX banquet honors outstanding leaders

NEW YORK — Vern Brunner, who began his career with the Walgreen Co. as a part-time college student in 1962, has been awarded the 1985 *Drug Store News* REX Merchandiser of the Year award.

Brunner, who is currently senior vp of marketing for Walgreens, accepted his award at a special REX banquet held in New York earlier this month in conjunction with the Associated/Affiliated shows.

Speaking before an overflow crowd of more than 650, Brunner thanked his staff and associates at Walgreens, his mentor and friend Walgreens' president Fred Canning and particularly his wife, Sharon, for the support and help that has "sustained me over the years."

Brunner, the runaway choice for Chain Drug Merchandiser of the Year, was selected by popular vote among hundreds of manufacturer suppliers.

In making the presentation, *Drug Store News* publisher Jay Forbes noted that both Fred Canning and Corky Walgreen, chairman, have consistently singled out Brunner's "marketing expertise" for making considerable contributions to the success of Walgreens stores.

"Under his supervision," Forbes pointed out, "Walgreens has grown from 641 drug stores to 1,095 with centralized purchasing, merchandising and warehousing."

Forbes said that many of the programs instituted by Brunner "insured the nationwide continuity of Walgreens' merchandise mix and store identity."

In fact, the same manufacturer suppliers who elected Vern Brunner chain merchandiser of the year also singled out the Walgreen Co. as the "Drug Chain of the Year."

In presenting that award to Canning, J. Roger Friedman, president of *Drug Store News*' parent company, Lebhar-Friedman, described the Walgreen Co. "as a leader for over 84 years."

The company's leadership

Continued on page 51

REX Chain Merchandiser of the Year
V. Brunner

REX Drug Chain of the Year
Walgreens

REX Wholesaler of the Year
McKesson Drug

Sharon Brunner receives bouquet (top).

Jay Forbes (right) presents a special REX award to Lebhar-Friedman vp and editorial director David Mahler.

REX award winners

Analgesics	
1. Advil	Whitehall Labs
2. Tylenol Capsules	McNeil Consumer Products
3. Nuprin	Bristol-Myers

Antacids	
1. Riopan	Ayerst Labs
2. Gaviscon	Marion Labs
3. Mylicon-80	Stuart Pharmaceuticals

Automotive/hardware	
1. Plastic Oil Container	Quaker State Oil
2. Durabeam Compact Light	Duracell
3. Fur Glove Ice Scraper	Hopkins Manufacturing

Baby needs	
1. Huggies	Kimberly-Clark
2. Pedia Care	McNeil Consumer Products
3. Dorcol for Children	Dorsey Labs

Candy	
1. Snickers	Mars Inc.
2. Black Forest Gummy Bears	The Foreign Candy Co.
3. O'Grady's Salty Snacks	Frito-Lay

Cosmetics	
1. Aziza Polishing Pen	Chesebrough-Ponds
2. Custom Eyes	Revlon
3. Visuelle	L'Oreal

Cough/cold, allergy	
1. Actifed	Burroughs Wellcome
2. Drixoral	Schering Corp.
3. Formula 44M	Vicks Health Care Division Richardson-Vicks

Dental	
1. Colgate Pump	Colgate-Palmolive
2. Check-Up	Minnetc..ka
3. Act	Johnson & Johnson

Deodorants/shaving needs	
1. Brush Plus	The Gillette Company Safety Razor Division
2. Lady Speed Stick	The Mennen Company
3. Ban Solid	Bristol-Myers

Eye/lens care	
1. Sensitive Eyes	Bausch & Lomb
2. Soflens Enzymatic Cleaner	Allergan Pharmaceuticals
3. Clerz 2	CooperVision

Ethnic	
1. Care-Free Curl Moisturizer	Soft Sheen Products
2. Dark & Lovely Relaxer Kit	Carson Products
3. Curl Activator	Worlds of Curls

Feminine hygiene/family planning	
1. Today	VLI Corp.
2. e.p.t. plus	Warner-Lambert
3. Fact	Advanced Care Products Div. Ortho Pharmaceutical

Fragrances	
1. Vanderbilt Fragrance Line	Warner Cosmetics Co.
2. Forever Krystle	Charles of the Ritz
3. Jovan Evening Edition Musk for Men	Beecham Cosmetics

Hair care	
1. Free Hold Mousse	L'Oreal
2. Perma Soft Shampoo	Lamaur
3. Halsa Shampoo	S. C. Johnson & Co.

Pharmaceuticals	
1. Nicorette	Merrell Dow Pharmaceuticals
2. Zantac	Glaxo
3. Maxzide	Lederle Labs

Photography/consumer electronics	
1. Kodak Disc Camera	Eastman Kodak
2. Supercolor VHS Tape	Polaroid
3. Snappy 20	Canon U.S.A.

Skin care/sun care	
1. Oil of Olay	Vicks Toiletry Division Richardson Vicks Inc.
2. Buf-Puf Singles	3M Company
3. Bain de Soleil Gelee Orange	Charles of the Ritz

Stationery/home office	
1. Five Star Line School Supplies	The Mead Corp.
2. Executive Home Office Supplies	Stuart Hall Co.
3. Sharpwriter Mechanical Pencil	Paper Mate Division The Gillette Company

Tobacco/wine/beer	
1. Single Pack Lighters	Bic Pen Corp.
2. Seagram's Cooler	Joseph E. Seagram & Sons
3. Generic Cigarettes	Gary Tobacco

Toys	
1. Trans Formers	Hasbro
2. Cabbage Patch Kids	Coleco Industries
3. G.I. Joe	Hasbro

Vitamins/nutritional/diet aids	
1. Centrum	Lederle Labs
2. Caltrate	Lederle Labs
3. Dexatrim	Thompson Medical

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Vol. 7, No. 23 October 28, 1985

FINANCIAL

Dworkin optimistic despite earnings slump

TWINSBURG, Ohio — While Revco's first-quarter earnings declined 39%, Sidney Dworkin, chairman and ceo, noted some encouraging trends that he believes will set the stage for improved results in the future.

Dworkin noted, for example, that the quarter's comparable drug store sales increased 8.7%, compared to a 6.9% increase in the same quarter last year and a 5.8% gain for all of fiscal 1985.

In addition pharmacy sales, which have been fueling growth throughout the industry, rose 11.7% on a quarter-to quarter basis, compared to 11% growth in the same period last year and 11.1% for the year as a whole.

Dworkin said the 39% decline in first-quarter earnings was the result of lower gross margins in the drug store division, higher interest costs and continued losses from Odd Lot.

He noted that interest expanse for the quarter more than doubled to $4.5 million from $2.1 billion, reflecting increased borrowings to finance the acquisition of the 42-store Carls Drug in July as well as the purchase of 4.4 million shares of common stock from the former Odd Lot owners.

In addition, Odd Lot operated at a loss for the quarter, reducing corporate earnings by 4¢ a share.

Bergen posts record earnings and sales

LOS ANGELES — Bergen Brunswig Corp., the nation's second largest drug wholesaler, announced record sales and earnings for the year ended Aug. 31.

The company reported that net earnings increased 27.4% to $23.3 million from $18.3 million in the previous fiscal year. Earnings per share rose to $1.91 from $1.86.

Last year's earnings results included a loss of $5.2 million from discontinued operations.

Sales and other revenues increased 43% to $2.43 billion from $1.70 billion.

In the fourth quarter, net earnings increased 5% to $5.9 million from $5.7 million in the same period last year. Earnings per share were 46¢.

Sales and other revenues for the quarter increased 52% to $680.3 million.

Bergen Brunswig said that the company decided, based on certain provisions in the Deficit Reduction Act of 1984, to switch to LIFO.

The change permitted retaining $21 million in cash.

Commenting on the results, Emil P. Martini Jr., chairman and ceo, said that acquisitions had a "major impact on sales growth, together with the results from existing operations exceeding internal targets."

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION				
		From 09/20/85 - 10/07/85							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. rate			Last Fiscal Year			Last Fiscal Year (Per Share)	
					Change		52-Week														Last X-Dvd. Date			Current Ratio		
Name	Symbol	High	Low	Close	Amt	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct			Latest P/E Ratio	Amt.	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$
Chain Store transactions																										
Am Stores	ASC	57.38	56.00	56.75	.88	1.57	67.50	35.38	.10	.10	-1.50	5.79	5.71	1.67	S	42.0	34.0	1.5	10.0	.64	1.1	09-16-85	12118.8	185.5	1.2	37.93	21.40
Begley Co	BGLY	16.50	16.00	16.00	.00	.00	17.63	15.00	.28	.34	3.39	-50.00	1.26	-.07	Q	-5.0	3.0	1.1	12.1	.72	4.5	04-15-85	66.1	.7	1.7	13.77	18.84
Big B	BIGB	14.75	14.13	14.13	-.13	-.88	19.50	10.63	.19	-.25	-8.42	37.59	.68	.12	S	20.3	15.0	3.0	19.9	.00	.0	09-21-83	148.1	4.4	2.3	1.20	4.58
Drug Sys	DRGS	4.63	4.50	4.50	-.13	-2.70	6.13	3.38	-.34	-.20	-6.68	69.12	.35	-.12	Q	-24.0	NC	1.2	11.8	.60	13.3	05-09-85	104.7	1.3	3.2	1.13	6.18
Eckerd, Jack	ECK	30.75	26.38	29.88	2.50	9.13	32.88	20.00	-.07	.46	-1.78	-25.33	2.27	-.03	N	-1.4	2.0	3.3	13.9	1.04	3.5	09-09-85	2622.5	85.4	2.0	2.52	16.47
Fay's Drug	FAY	9.38	8.13	8.50	.13	1.49	13.00	8.13	.01	-1.28	-.77	-23.04	.62	-.22	S	-33.3	33.0	2.4	19.3	.20	2.4	09-23-85	366.7	8.7	1.8	1.65	4.28
Genovese Drug	GDX	10.38	10.00	10.25	.25	2.50	15.88	9.13	.05	.09	-1.47	-26.32	1.03	.07	S	6.8	40.0	1.9	9.3	.20	2.0	09-24-85	220.3	4.1	1.7	2.06	5.73
Longs Drg Strs	LDG	27.00	24.75	25.13	-1.88	-6.94	31.13	20.63	-.10	-.05	-2.13	-4.51	1.88	.14	S	7.8	9.0	2.9	13.0	.72	2.9	08-27-85	1375.8	40.1	2.1	.00	12.23
Medicare Glaser	MGCO	4.75	4.13	4.75	.00	.00	6.75	3.50	-.21	.34	2.18	-60.98	.05	-.47	Q	-100.0	NC	.2	NE	.00	.0	00-00-00	81.7	.2	2.2	3.58	3.52
Perry Drug	PDS	14.38	12.75	13.88	-.50	-3.48	16.19	10.75	-.47	1.63	-1.80	28.75	.84	.09	N	11.0	14.0	2.1	15.2	.19	1.4	09-11-85	370.3	7.6	1.5	1.60	7.07
Revco Drug	RDS	27.75	24.25	26.00	.75	2.97	30.63	22.50	.09	-.70	-1.58	-17.55	1.06	-1.48	F	-58.3	2.0	1.6	24.5	.80	3.1	08-19-85	2395.6	38.9	1.7	1.22	12.48
Rite Aid Corp	RAD	23.38	21.50	21.88	-.38	-1.69	33.50	21.50	-.27	-1.21	-1.29	-11.03	1.59	.06	Q	5.3	9.0	4.8	13.7	.50	2.3	07-12-85	1445.7	69.9	1.9	2.02	8.58
Thrifty Cp	TFD	19.63	18.13	18.38	-.88	-4.55	22.88	18.13	.17	-1.04	-2.76	24.72	1.40	.24	N	18.2	15.0	2.1	11.8	.60	3.3	05-06-85	1299.3	27.9	1.5	4.46	7.72
Walgreen Co	WAG	24.25	22.50	22.50	-1.38	-5.76	30.25	19.00	-.29	-.65	1.03	2.23	1.39	.20	N	15.0	20.0	3.1	14.7	.44	2.0	08-12-85	2744.6	85.4	1.7	.87	6.76
Wholesaler's transactions																										
Bergen Bruns	BBCA	28.25	26.38	27.13	-.75	-2.69	32.38	20.50	-.40	.43	-3.02	-2.44	1.91	.34	F	21.7	16.0	1.0	14.2	.32	1.2	07-26-85	2434.9	24.2	1.6	1.08	11.11
Bindley Wstn	BIND	10.50	10.00	10.25	.13	1.23	15.00	9.25	-.03	.06	-2.49	29.13	.73	.16	S	25.8	23.0	.8	13.1	.00	.0	05-01-85	566.7	4.7	1.4	.08	5.46
Cardinal Distrb	CDIC	16.50	15.63	16.13	-.13	-.77	18.50	10.91	-.11	.81	9.92	-60.18	1.01	.17	Q	18.9	NC	1.2	15.1	.08	.5	10-08-85	320.0	3.7	1.7	.94	8.85
Durr Fillauer	DUFM	12.00	10.75	11.00	-.88	-7.37	15.25	9.81	-.65	-.55	.51	-29.64	.74	.13	S	19.1	15.0	1.7	13.6	.14	1.3	07-01-85	341.7	5.8	2.3	1.21	6.05
McKesson Cp	MCK	46.75	45.13	46.50	.50	1.09	50.00	37.00	-.12	.57	1.28	-2.91	3.60	-.07	Q	-1.9	-1.0	1.3	12.7	2.40	5.2	08-27-85	4887.1	65.0	1.5	12.99	30.40
Foxmeyer Cp	FXM	24.75	23.25	23.63	-.88	-3.57	29.75	21.00	.02	-.54	-4.19	-20.63	1.56	.16	Q	11.3	25.0	1.3	15.0	.00	.0	00-00-00	717.1	9.0	2.8	17.31	16.51
Ketchum	KCH	18.50	14.75	17.63	1.41	8.67	22.97	13.47	-.01	.12	-5.80	-55.66	.56	-.03	Q	-4.9	NC	.2	30.4	.00	.0	09-23-85	273.7	.6	1.4	7.87	7.52
Owens & Minor	OBOD	15.75	14.63	15.75	1.00	6.78	16.63	8.00	.24	.80	-2.43	-6.74	.95	.20	S	22.5	15.0	1.2	14.4	.28	1.8	09-10-85	306.7	3.6	3.0	5.35	8.54
Manufacturer's transactions																										
Abbott Labs	ABT	58.00	53.88	54.50	-1.13	-2.02	60.00	38.63	.03	-1.03	-1.88	21.80	3.34	.49	S	15.8	17.0	13.0	15.2	1.40	2.6	10-08-85	3104.0	402.6	1.9	3.91	13.33
Am Home Prod	AHP	60.00	54.75	55.75	-2.50	-4.29	66.88	46.75	.14	-1.50	.82	42.00	4.39	.31	S	7.3	11.0	15.1	12.3	2.90	5.2	05-07-85	4485.5	675.6	3.4	.26	13.74
Baxter Travenol	BAX	14.00	12.38	12.75	-1.00	-7.27	16.88	11.75	-.39	-.53	1.67	-2.76	.21	-1.22	S	-87.1	-23.0	1.6	70.8	.37	2.9	09-09-85	1800.4	29.0	1.6	1.46	7.83
Block Drugs Co	BLOCA	39.00	38.75	39.00	-.25	-.64	40.50	26.22	.14	.34	.32	-33.33	3.48	.36	Q	11.1	11.0	10.5	10.9	1.00	2.6	08-27-85	247.8	25.9	2.4	3.28	22.47
Bolar Pharm	BLR	14.63	12.00	14.25	.88	6.54	22.63	11.25	-.42	2.95	-6.21	26.73	.61	.13	S	22.8	23.0	18.2	20.4	.03	.2	08-06-85	29.1	5.3	7.5	.00	3.70
Bristol-Myers	BMY	58.25	53.63	54.38	-1.88	-3.33	66.50	44.25	-.16	-.25	2.96	-2.69	3.45	.41	S	12.7	14.0	11.3	14.9	1.88	3.5	09-30-85	4189.4	472.4	2.5	.75	15.63
Carter-Wallace	CAR	43.00	32.75	39.50	6.00	17.91	46.63	23.88	.26	2.20	4.48	-10.95	2.66	.38	Q	15.3	20.0	5.9	13.8	.60	1.5	07-26-85	348.8	20.7	2.2	1.53	23.37
Forest Labs	FRX	24.63	23.00	23.38	-.25	-1.06	32.50	12.13	-.11	-.59	-.39	32.96	.73	.22	Q	39.3	14.0	17.4	30.0	.00	.0	01-14-83	24.1	4.2	4.5	.22	5.90
ICN Pharm	ICN	11.13	9.13	9.88	.75	8.22	12.25	8.25	.28	-2.23	2.26	-31.79	.00	-.09	S	-47.4	NC	1.6	98.8	.00	.0	00-00-00	44.8	.7	3.0	2.43	4.50
Key Pharm	KPH	10.00	8.50	8.88	-.75	-7.79	12.75	8.00	-.69	-1.77	.65	21.18	.61	-.04	S	-6.7	57.0	14.6	15.8	.20	2.3	09-09-85	151.1	22.1	3.4	2.52	1.60
Lilly Eli Co	LLY	89.38	85.50	88.50	2.63	3.06	90.38	58.00	.22	.47	-.14	10.05	6.73	.48	S	7.4	9.0	15.8	12.6	3.20	3.6	08-09-85	3109.2	490.2	1.7	1.63	31.04
Lee Pharm	LPH	6.50	5.63	6.50	.63	10.64	9.63	2.13	.45	1.69	-1.01	32.67	.13	.38	N	NE	NC	6.2	27.1	.00	.0	00-00-00	8.1	.5	3.0	.20	1.73
Marion Labs	MKC	34.88	33.50	33.50	-.38	-1.11	39.75	18.31	.03	-.10	-.71	16.06	.94	.32	F	51.6	34.0	12.2	35.6	.28	.8	09-16-85	295.7	36.2	2.4	.02	3.52
Merck & Co	MRK	110.75	106.00	108.25	.25	.23	117.75	81.13	-.14	.21	1.15	3.62	6.71	.63	S	9.9	5.0	13.8	15.5	3.20	3.0	08-30-85	3559.7	493.0	2.0	2.48	35.29
Morton Thiokol	MTI	33.25	31.25	32.00	-.38	-1.16	38.00	25.25	-.13	-.05	-.09	-4.49	4.01	1.85	F	85.6	29.0	10.8	8.0	.64	2.0	08-26-85	1832.3	197.9	1.5	2.94	12.50
Mylan Labs	MYLN	16.38	14.50	15.13	-1.00	-6.20	26.00	11.38	-.73	-.89	.88	-2.39	.52	.28	Q	100.0	58.0	23.3	27.0	.05	.3	02-19-85	53.6	12.5	5.9	.09	1.22
Newport Pharm	NWPH	10.00	8.38	10.00	.38	3.90	13.75	4.50	-1.07	3.90	-.40	-3.07	.05	.15	Q	NE	NC	6.7	NE	.80	8.0	05-23-85	9.0	.6	3.2	.21	.96
Par Pharm	PARP	17.75	15.50	16.75	-.50	-2.90	23.25	8.50	-.41	-1.26	-6.95	-6.97	.47	.09	N	22.0	NC	16.5	33.5	.00	.0	00-00-00	17.0	2.8	3.3	.00	1.84
Pfizer Inc	PFE	49.00	45.63	45.75	.50	1.11	53.75	34.38	.05	-1.17	1.32	-2.74	3.08	.39	S	13.5	15.0	13.2	13.9	1.48	3.2	07-26-85	3854.5	507.9	2.3	2.10	15.45
Reid Prov Labs	REID	4.50	4.13	4.19	-.31	-6.94	6.63	2.88	-.13	.07	-2.41	-11.23	.13	.01	F	8.3	27.0	6.0	32.2	.04	1.0	12-10-84	16.6	1.0	3.1	.02	.92
Robins, AH	QRAH	7.86	6.88	7.50	-.38	-4.76	24.38	5.50	-.24	-.20	-5.39	-40.22	-18.44	-20.13	S	-100.0	NC	-73.0	NE	.00	.0	11-19-84	631.9	-461.6	1.7	.47	-5.23
Rorer Group	ROR	47.00	39.38	46.50	5.25	12.73	47.00	24.00	.74	2.73	2.16	34.47	2.08	-.03	S	-1.4	5.0	8.5	22.4	1.12	2.4	08-05-85	522.1	44.3	1.9	2.18	11.07
Scherer RP Co	SCHC	12.63	12.13	12.50	.13	1.01	13.50	8.63	-.14	.34	-7.05	-18.40	-.43	-.96	Q	-100.0	NC	-2.0	NE	.32	2.6	09-11-85	167.4	-3.4	1.7	4.07	9.72
Searle, GD	SRL	64.88	64.63	64.75	.13	.19	65.50	46.50	.15	.33	-2.93	.00	3.24	.09	S	2.6	13.0	13.0	17.9	1.00	1.5	08-02-85	1245.8	161.6	2.1	3.46	17.37
Squibb Corp	SQB	69.88	66.50	69.25	1.38	2.03	72.88	46.00	.19	.57	.07	-16.78	3.68	.39	S	11.2	18.0	10.5	17.9	1.76	2.5	08-12-85	1886.0	197.2	2.3	3.74	24.87
Sterling Drug	STY	35.50	31.00	35.25	4.25	13.71	35.50	26.13	.47	1.67	2.72	-7.42	2.37	.14	S	6.1	4.0	7.8	14.4	1.20	3.4	08-08-85	1827.3	143.4	2.6	1.32	15.34
Syntex Corp	SYN	64.88	62.50	64.50	1.25	1.98	65.63	45.25	.37	.57	1.11	3.06	4.65	.57	F	14.0	16.0	15.8	13.9	1.92	3.0	05-13-85	948.5	150.0	2.1	5.36	18.81
Thompson Med	TM	15.50	15.25	15.25	-.13	-.81	18.38	13.25	.10	.18	2.42	11.21	2.20	-.67	S	-30.7	22.0	10.8	10.1	.40	2.6	09-24-85	197.2	21.2	4.3	.00	7.09
Upjohn Co	UPJ	114.50	105.00	111.38	5.13	4.82	122.50	53.25	.24	.60	-1.59	14.12	5.67	-.61	S	-10.1	.0	8.0	20.6	2.80	2.5	09-27-85	2179.1	173.3	1.7	12.47	37.00
Warner-Lambrt	WLA	38.88	33.75	34.25	-3.00	-8.05	46.50	31.00	-.04	-1.06	2.32	69.83	2.81	.28	S	10.4	6.0	7.1	11.5	1.48	4.3	08-05-85	3166.7	223.9	1.7	6.47	18.18
Zenith Labs	ZENI	20.25	17.38	19.50	.25	1.30	29.50	5.25	-.66	-.20	-1.45	3.33	.28	.44	S	244.4	85.0	7.7	31.5	.00	.0	06-19-85	37.5	2.9	2.6	.27	1.99

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes:

NA - Not Applicable
NC - Not Calculable
NE - Negative Earnings
NM - No Meaningful Figure
Q - First Quarter
S - First 6 Months
N - First 9 Months
F - Fiscal Year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

Cosmetics biz booming, but fragrances off

Cosmetics sales are climbing high in independent and chain drug stores while fragrance sales are sluggish or down.

That information comes from the latest survey by Goldman Sachs of fragrance and cosmetics buyers at chain and independent drug stores.

This important survey is the third such report from analysts Jack Salzman and Greg Ostroff. They polled buyers responsible for over 3,000 outlets in this survey, and, in contrast to the last survey, 88% of the buyers were from chains.

The major conclusions of the study were:

- Unit and dollar sales growth in fragrances is lower than six months ago.
- Cosmetics sales are up in both dollars and units.
- Consumers are more willing to trade up in price, especially for fragrances.
- Manufacturer price increases are slowing down, but many buyers report that pricing is 6% to 10% ahead of last year.
- Inventories for fragrances and cosmetics are still above target.
- The best selling fragrances remain Stetson in the men's category and Vanderbilt in the women's arena. Vanderbilt expanded its lead over second place Forever Krystle. However Chaps from Ralph Lauren placed a solid second in the men's market, moving from runnerup in the last survey.
- Cover Girl and Revlon still hold the biggest rank in make-up and treatment, respectively. Almay again scored high on this survey as the second best-selling treatment line in drug outlets.
- Superior ratings were given to Cosmair's L'Oreal and Warner fragrance divisions, and L'Oreal perhaps on the coattails of its successful Visuelle launch, placed as the third best-selling make-up line behind the dominant leader Cover Girl and the second ranked Revlon. Maybelline moved down one notch to runner up.
- Overall, Revlon received more favorable ratings, especially in its service to chains.

* * *

In general, according to Goldman Sachs, buyers report shoppers are more willing to trade up in price, particularly for fragrances. A whopping 73% of the sample said that consumers are buying more high-priced fragrances, while only 4% said that consumers are becoming more price-conscious. Undoubtedly, this situation reflects the fairly widespread distribution of prestige, mostly diverted, fragrances that have been finding their way into drug stores.

Gregg Ostroff told *Beauty Beat* that the trading-up trend also reflects an increase in discretionary income.

Despite the popularity of prestige fragrances, buyers report they are increasing the selling space for some mass lines, including *Jovan and Revlon*. An unusually large number said they were increasing the space for Warner.

However, one buyer is quoted as saying:

"The industry is as saturated as ever. Mass fragrances have been hurt by the prestige lines. All weaklings in mass have had to be eliminated to replace with prestige—no more footage is needed in the category, only elimination of the slow ones."

* * *

In the area of promotions, many buyers reported that promotional sales are rising. In fragrances, some 24% of the buying sample noted that 26% of sales are sold on promotion while in cosmetics 40% of those polled noted that promotional sales account for between 11% and 20% of sales. The increase in promotions, however, is not without its risks. Said one buyer: "Sales of shaded cosmetics are flat. We are over promotionalized by vendors, with everyone wanting their share. Too many promos take away sales from the basics we carry all year-round. How many "yellow" nail colors by various vendors does a drug chain need? Just watch consumers in a store with over 150 promotions in a cosmetic department. The customer doesn't even look at your basic department."

Buyers rank best-selling products

*Men's fragrances		Women's fragrances	
1. Stetson	53.8%	1. Vanderbilt	80.3%
2. Chaps	48.7	2. Forever Krystle	21.2
3. English Leather	20.5	3. Chanel	13.6
Runner-Up		*Runner-Up*	
Old Spice	17.9%	Charlie	9.1%
Make-up		*Treatment*	
1. Cover Girl	68.1%	1. Revlon	87.2%
2. Revlon	45.8	2. Almay	64.1
3. L'Oreal	27.8	3. Oil of Olay	17.9
Runner-Up		*Runner-Up*	
Maybelline	13.9%	Bonne Bell	15.4%
		Ultima	15.4

*Source: Goldman Sachs Fragrance and Cosmetic Buyer survey.

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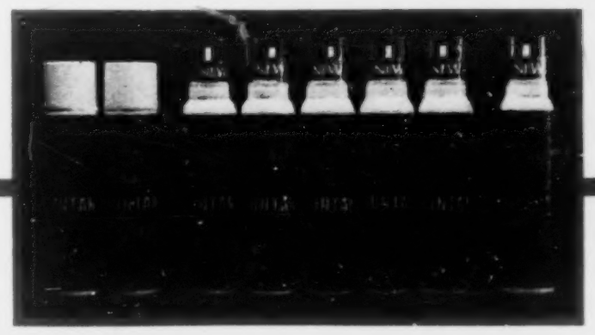

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Deep discount drug industry grows rapidly

Continued from page 1
Glassman in Ohio and Cecille and Sonny Raichlen in Detroit.

In the two years since 1983, when this segment began to clearly manifest its dramatic growth potential, sources estimate that the universe of deep-discount drug stores grew by some 150-plus stores.

Both of the two major chains in this segment doubled in size. By the end of this year, Drug Emporium should have close to 90 stores, compared to 34 in 1983, while F & M should have 28, compared to 14 in 1983.

The rest of the expansion was, and, still is, coming from well-funded major retail players finding their way into this new market to "test out" the concept.

Supermarkets General, the supermarket company that also operates Pathmark drug stores, now has over 15 deep-discount drug stores, including 12 Heartland stores recently acquired from Purity Supreme. Safeway is still testing Drugs For Less and Kroger is giving SupeRx, its drug store division, the go-ahead to expand Drug World.

In the chain drug segment, Rite Aid has begun a major expansion of its Drug Palaces, while Revco seems set to expand Get it For Less. Perry is expanding A. L. Price and Melville, parent of CVS, is expected to expand Freddy's.

So far, only a handful of chains have chosen to stop testing deep-discount drug stores: Medicare-Glaser shut down its Megs after just six months, American stores did the same with its FAD and so did Fay's with its Jay-Jay's.

However, although most of the companies still experimenting with the format have positive things to say about the segment "officially," many are still having what can only be described as mixed results with their tests and only a few, like Rite Aid, Perry Drug, Shoppers and SupeRx, are officially committed to opening a significant number of new stores.

Future growth

Moreover, although some sources have predicted that this segment will top $15 million in sales by the end of this decade, a number of executives for the established "pure" deep-discount drug companies feel that the major retailers are not suited, either temperamentally or by training, to make deep-discount drug stores work.

Almost all cite the growing complexity and competitiveness of the market as factors that will eventually discourage the more traditional retailers, particularly the drug and food chains, from continuing to pursue this avenue of growth.

They also say there is a "learning curve" that deep-discount drug store retailers must master before their investments can prove lucrative. This curve can be particularly painful to negotiate, they point out, because it involves committing millions to the experiment "for one, two, maybe three years," before the investment begins to prove profitable.

"That's very hard for most traditional public companies to do," says a source for one of the two major deep-discount drug chains. "Can you imagine an executive for one of the public drug chains going to the board of directors to explain that this store which will stock more than $1.5 million in inventory and which will probably cost $300,000 a year or so to occupy plus labor costs and other related costs, that this store is probably going to lose $300,000 its first year and maybe $100,000, the next, and possibly will begin making money its third year? They're going to say, 'Why should we do that when we can open a conventional store at about a quarter the investment and probably start making money the second year?'"

Profitability

"It is not as lucrative as the industry thinks," says another executive for one of those same two drug chains, "and it takes a lot more work than many people realize. Too many people think that all you have to do is open one of these stores and you start making money. That isn't true. What is true is that the business gets harder evey day."

1985 Estimated per store dollar volume deep-discount drug stores

Per store averages	Stores achieving that average	% of deep-discount stores
Over $10 million	25	8%
$6 to $9.9 million	75	25
Less than $6 million	200	67

Source: Drug Store News *estimates*

In addition to getting harder, those involved in deep discounting also say the business is changing every day. That if someone like Fred and Margaret Cohen or Bernie Shulman or Marc Glassman—the names associated with the pioneering of deep discounting in the late 50's and early 60's and 70's were to start up today, they would probably still make it, but not with the high double-digit stores that some of them have achieved.

"If Bernie or Mark were to start up today," says one source, "they'd make it, but they wouldn't make it with the $30 million store. Today they'd cap out at around $10 million or $15 million."

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Detailing visits to drug chains increase by 20%

NEW YORK — Drug manufacturers have stepped up their detailing efforts to the chains, with an almost 20% increase in chain drug store detailing visits in the past year.

In a nationwide study of pharmaceutical manufacturers' detailing efforts, *Drug Store News* has learned that although company reps have beefed up their visits to the chains, pharmacists complain they are receiving less information than they would like with each visit.

However, the study cited new product introductions as one area pharmaceutical detail people are doing a good job

According to the data, 61% of the chain pharmacists questioned said they were visited by a detail person once every two months this year compared to 52% the previous year.

Rx detailing study

On the other hand, of the 43 manufacturers cited in *DrSN*'s survey questionnaire, only four were mentioned by at least 25% of the chain and independent pharmacists as maintaining scheduled visits of once every two months. They were: Lilly/Dista, Wyeth, Upjohn and Parke-Davis.

At the independents' level, visits by manufacturers' reps showed no change over last year; 71% of the independents reported they were seen by a drug detail person once every two months.

Furthermore, it was shown that an astonishing 86% of the pharmaceutical manufacturers were likely never to visit a chain drug store.

Overall, the study showed that drug manufacturers have increased the frequency of detail visits to the chains. Some chain execs say that one reason for the increase is the sophistication of the medications being developed today.

"It is our policy to see all the manufacturers' reps at our buying offices," said Roland Knocke, prescription drug buyer at Medicare-Glaser, St. Louis. "For the most part, detail people are not allowed in our stores. Anything they want our pharmacists to know about their product is conveyed to our stores through a newsletter we send our pharmacists. But we realize that the recent development of certain new drug delivery systems just cannot be communicated through a newsletter, so we have begun to let the reps visit our stores and detail our pharmacists on selected products."

Knocke cited a current example in a new inhaler introduced by Glaxo.

"In talking to our pharma-

Continued on page 43

Per cent of pharmacists visited by manufacturers' reps

	Total	Chain	Independent
Ever see detail persons	98%	97%	99%
Once every 2 months	64	61	71
Once every 3-6 months	25	26	22
Less than once every 6 months	9	11	6
Never see detail persons	1	1	1
Don't know	1	1	1

Source: Lebhar-Friedman Research

Per cent of pharmacists who desire manufacturers' reps visits

	Total	Chain	Independent
Want to see detail persons	97%	96%	99%
Once every 2 months	74	72	78
Once every 3-6 months	20	21	19
Less than once every 6 months	3	3	2
Do not want to see detail persons	2	3	1
Don't know	1	1	1

Source: Lebhar-Friedman Research

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†Pharmacy Times, April, 1985, IMS Survey.

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Rx/OTC news

PHARMACY

Pharmacists seek better detailing information

Continued from page 42

cists we discovered that a large proportion of their customers did not know how to use the new inhaler and therefore were not getting the proper dosage of drug each time they used the product. That concerned us," said Knocke. "We commissioned Glaxo to send their reps into our stores to educate the pharmacist with on-the-job training on how to use the inhaler.

Below expectations

Although the reps are getting into the stores more often, it is still below the pharmacists' expectations.

Almost three-quarters (72%) of the chain pharmacists interviewed said they would like to see a detail person once every two months while 21% said that visits once every 3-6 months are sufficient. The study revealed that 26% of the chain pharmacists said they were already seeing a detail person every three to six months. Only 3% indicated they would like to see a manufacturer's rep less than once every six months (11% said they were already seeing the rep less than once every six months) and 3% said they didn't care if a rep came to see them or not.

Rx detailing study

A large number (64%) of chain pharmacists surveyed indicated that they were satisfied with the frequency with which they were being visited while 11% said they could be visited less frequently.

Quality of information

According to the data, the quality of detailers' visits need much improvement. Virtually every area of information that the pharmacists said they would like to see covered is either not being covered or only marginally so.

Two-thirds of all the pharmacists said that two areas of information they would like to receive are not being covered at all:"Warnings about possible adverse drug interactions" (86% desired this information but only 34% are currently receiving it) and "Warnings on possible drug interactions." (Eighty-five per cent said they desired this information but only 21% are receiving it.)

Other areas of information desired included: "Insight into what the manufacturer is telling physicians about this product" (73% desire, only 42% received); "A listing of the product's competitive advantages" (62% desire, only 10% receive) and "Information

Continued on page 44

Top 10 manufacturers' reps seen by pharmacists every 2 mos.

Independent Rx	Chain Rx
1. Upjohn	Lilly/Dista
2. Parke Davis Wyeth	Ortho
3. Abbott	Upjohn Parke Davis Wyeth McNeil
4. Lederle	Glaxo
5. Lilly/Dista	Schering
6. Ayerst	Abbott Squibb B-W Stuart
7. MSD	Lederle SKF
8. Beecham	MSD Searle Mead Johnson
9. Schering Squibb	Ayerst Beecham Squibb/ Novo
10. B-W	Merrell Dow

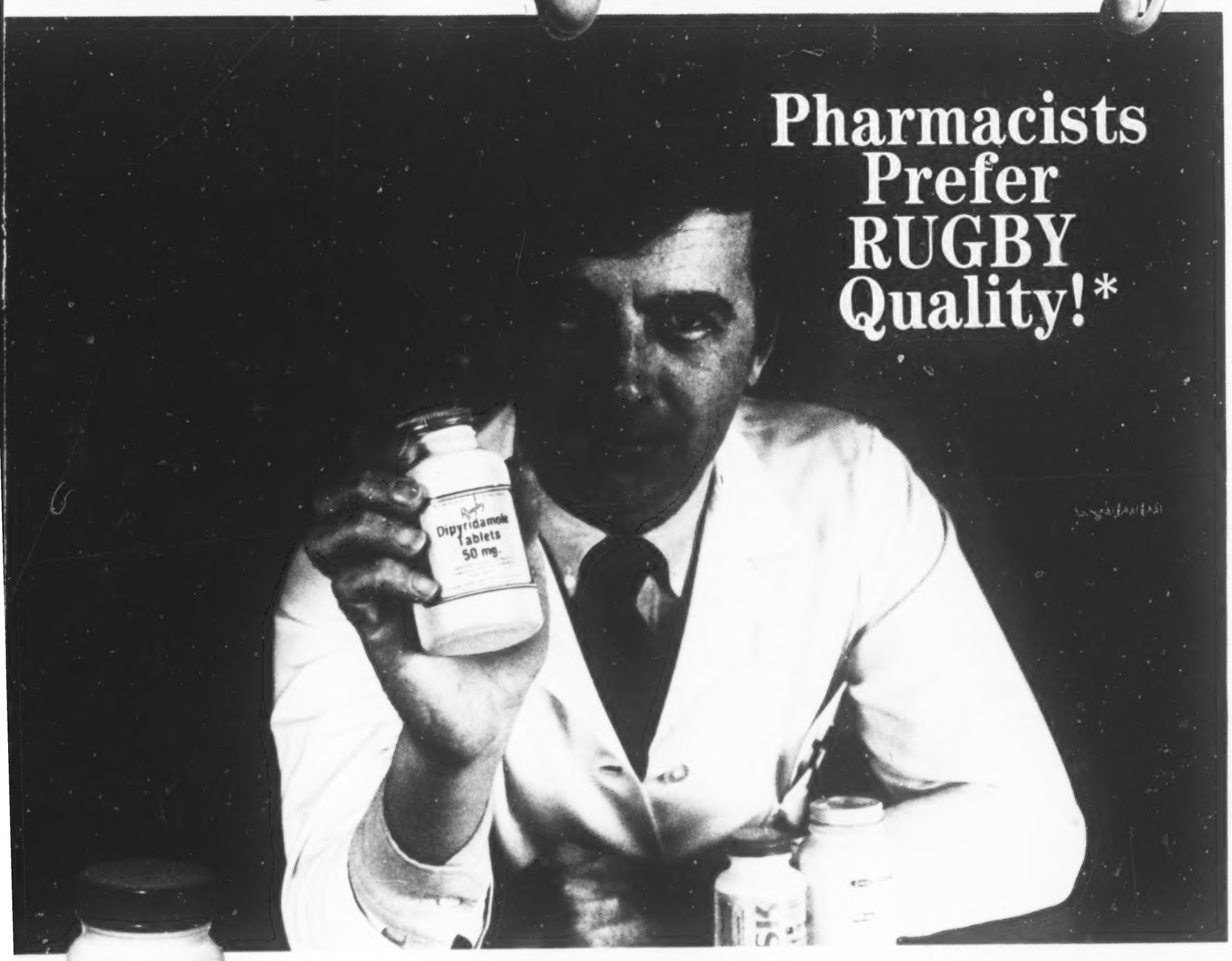
Source: Lebhar-Friedman research

Top 10 manufacturers' reps seen by pharmacists every 3-6 mos.

Independent Rx	Chain Rx
1. Roche	Glaxo USV
2. Glaxo	McNeil
3. Stuart	Lilly/Dista Ortho
4. Lilly/Dista	Merrell Dow
5. Geigy	Upjohn B-W Stuart
6. Beecham	Wyeth Beecham Mead Johnson
7. Schering SKF Mead Johnson Rorer	Schering Searle Roche
8. Ortho Merrell Dow	Squibb MSD SKF Boots
9. McNeil Upjohn Hoechst Marion	Parke Davis Abbott Hoechst
10. Searle	Ayerst Ciba Syntex Geigy Boehringer

Source: Lebhar-Friedman Research

and Quality



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PHARMACY

Rx advice ranked high

Continued from page 43

about why the cost of the product is justified" (60% desire only 15% receive).

In three areas of information, more than half of the pharmacists surveyed said that the manufacturers are doing a pretty good job. These were: "Information about how this product is unique" (76% desire, 54% are receiving), "Information for advising patients how to use the product" (80% desire, 57% receiving) and "A listing of the product's competitive advantages" (62% desire, 63% are receiving).

When asked what information they considered "most important," 28% of the pharmacists said "instructions for advising patients how to use the product," 11% cited "Warnings about possible adverse reactions" and 5% said "Warnings on possible drug interactions."

Rx detailing study

At Harco Drug new cut-outs in the pharmacy department counter offers the chain's pharmacists an opportunity to talk with patients on possible adverse reactions and drug interactions.

"The information that is brought with the detail people is especially important to us now," said Wyatt Williams, pharmaceutical buyer for the Northport, Ala., chain. "Our pharmacists are being encouraged to use the cut-out section at our pharmacy counters to consult with patients on their medications. The more information they are armed with the better the consultation. To my mind, you cannot learn too much about a particular drug."

New product introductions

Without question, a major reason for a detailer's visit to a pharmacy is for the introduction of a new product.

The average number of new products carried by pharmacies in 1985 decreased only slightly over 1984. In 1985, the

Continued on page 50

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Rx/OTC news

PHARMACY

Detailing seen as key in product launches

Percentage of pharmacists visited on new product launches

Product	Manufacturer	Chain	Independent
Augmentin*	Beecham	53%	79%
Nicorette*	Merrell Dow	50	60
Micronase*	Upjohn	40	67
Maxzide*	Lederle	39	64
Ortho Novum 7/7/7*	Ortho	44	47
Monistat-3*	Ortho	44	46
DiaBeta*	Hoechst	42	49
Triphasil*	Wyeth	36	54
Tenoretic*	Stuart	37	47
Trandate*	Glaxo	31	49

*Visits were rated "very satisfactory" by one-half to three-quarters of the pharmacists

Source: Lebhar-Friedman Research

Continued from page 44

average number of new products stocked by chain stores was 28.1 compared to 32.5 in 1984. The number of new products carried by independents in 1985 was 31.4, down from 34.5 in 1984.

Concerning 25 manufacturers who introduced a new product in 1985, almost half of the pharmacists (45%) reported getting a visit within the first six months of the product's launch.

According to Bob Versharen, prescription drug buyer at Thrift Drug, the process of introducing a new drug generally requires at least two visits.

Rx detailing study

"Many of the pharmaceutical companies introducing a new product like to get the word out as soon as possible, sometimes as much as 6-8 weeks before final FDA approval," said Versharen. "This creates some excitement in the marketplace. But by the same token, a second or third visit is necessary once the drug gets final FDA approval so that we can be told about approved indications, side effects and how the drug will be positioned within its therapeutic category."

Among those pharmaceutical companies that introduced new products last year, Beecham Laboratories received the highest accolades from pharmacists for the introduction of its antibiotic, Augmentin; 62% of the pharmacists interviewed said they received a visit from a Beecham detail person within the first six months of its product launch.

In second place was Merrell Dow with 53% of the pharmacists reporting they had seen a detail person within six months of its Nicorette product launch.

Other products include, in descending order as reported by at least 40% of the pharmacists: Micronase (Upjohn), Maxzide (Lederle), Ortho Novum 7/7/7(Ortho), Monistat-3(Ortho), DiaBeta(Hoechst), Triphasil(Wyeth), Tenoretic (Stuart), and Trandate(Glaxo).

Types of information

	Would like to receive		Currently receiving	
	Chain	Indy.	Chain	Indy.
Adverse reaction warnings*	87%	86%	34%	36%
Drug interaction warnings*	85	84	20	26
Patient usage advice*	82	78	56	59
Product uniqueness*	76	75	53	53
Medical insight*	71	76	41	41
Competitive advantages	62	62	63	54
Competitive disadvantages	62	61	9	13
Cost justification	60	60	16	17
Clinical testing	46	53	41	43
Prescription frequency	30	32	30	35
Performance abroad	27	28	24	29

*Considered "most important" by both chains and independents

Source: Lebhar Friedman Research

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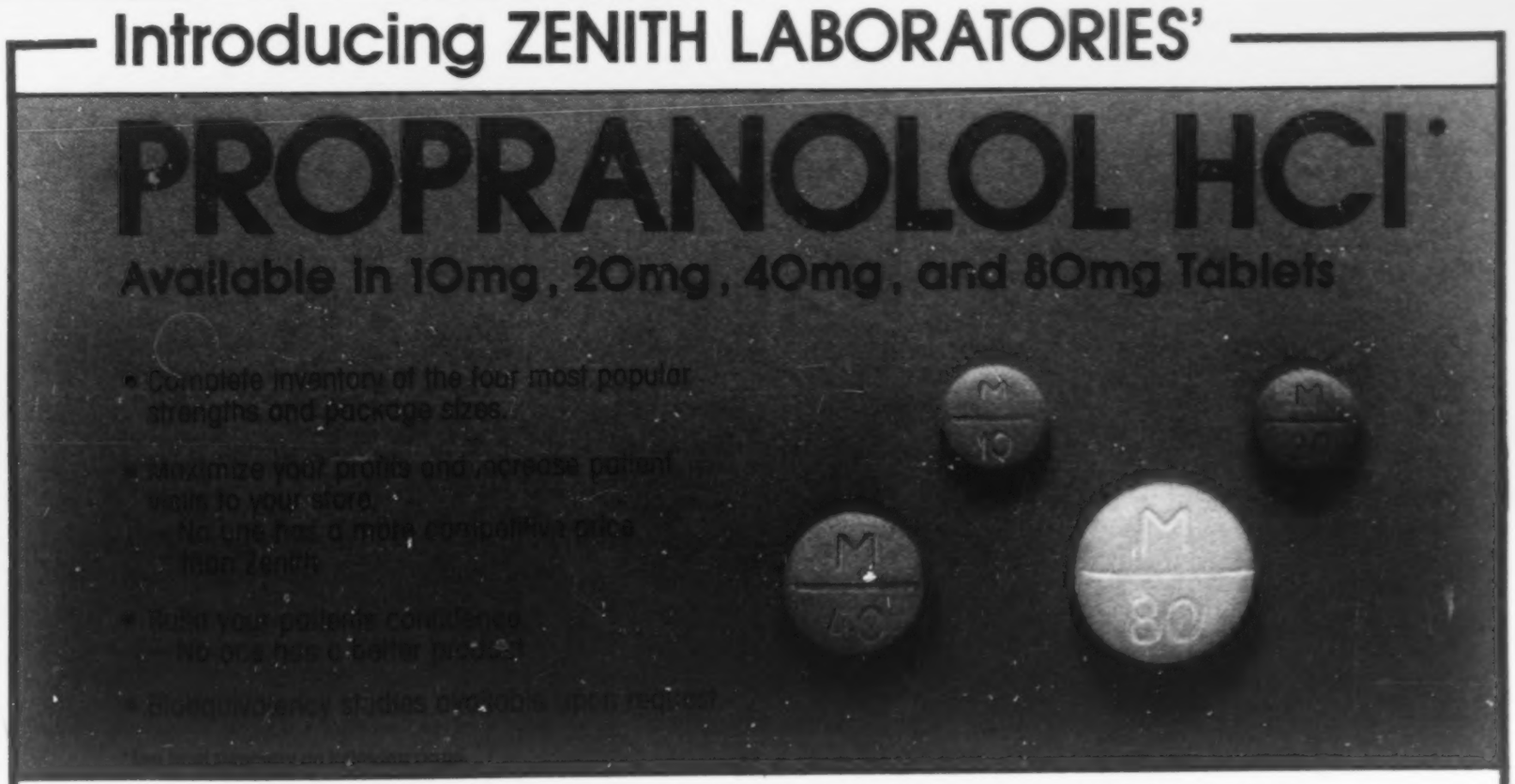
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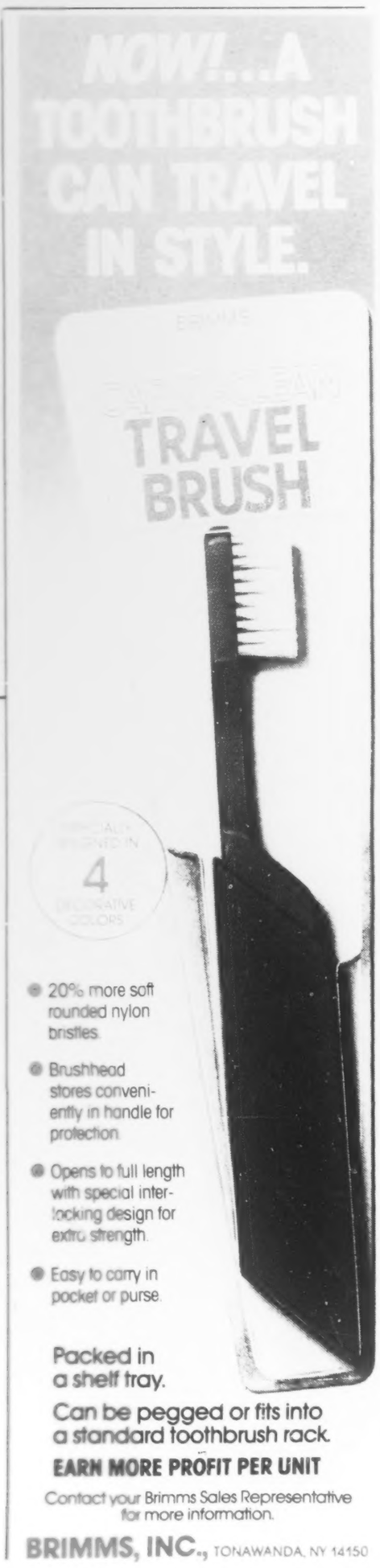
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